TESTIMONY OF
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PRIOR GENERAL MANAGER
PATTERSON IRRIGATION DISTRICT
&
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BEFORE THE
HOUSE NATURAL RESOURCES COMMITTEE
ON H.R. 4225
A BILL TO AUTHORIZE DROUGHT ASSISTANCE ADJUSTMENTS TO PROVIDE IMMEDIATE FUNDING FOR PROJECTS AND ACTIVITIES THAT WILL HELP ALLEVIATE RECORD UNEMPLOYMENT AND DIMINISHED AGRICULTURAL PRODUCTION RELATED TO THE DROUGHT IN CALIFORNIA.

FEBRUARY 4, 2010

Mr. Chairman and members of the Committee, my name is John Sweigard and I am the General Manager of the Merced Irrigation District. While I am new to the position, I recently left the position of General Manager with the Patterson Irrigation District, a post I held for almost 13 years. I am pleased to be offered this opportunity to testify in support of H.R. 4225 and be able to share my experience working in the San Joaquin Valley and illustrate how this bill will provide additional water supply and eco-system benefits to California which are unfortunately stalled due to non-federal cost share requirements under current federal law.

I want to start by underscoring the reality of the current California drought and its impact on the Central San Joaquin Valley. As we are all aware, the Endangered Species Act restrictions and related smelt and salmon biological opinion actions severely hamper the ability of the State of California and the United States Bureau of Reclamation to deliver contracted water supplies to cities, water districts and farms. The economic impacts and job losses are staggering. While we hear about it in the news and read about it in the newspapers, I cannot stress enough how it trumps all other issues discussed in our coffee shops and living rooms. I am not here to bash the Endangered Species Act, I am here to tell you if you if this Committee can act and apply a simple fix, there are environmentally approved and construction ready local projects which can help deliver water supplies to drought affected areas in California. These projects can protect fishery populations and relieve some of the pressure currently being placed on the San Joaquin-Sacramento Delta ecosystem. At this point in time, the state and federal pumping plants at the southern boundary of the San Joaquin-Sacramento Delta are the main facilities relied upon to move

water from East to West and from North to South in California. Local agencies have devised and planned local projects which can change this bottleneck.

Let me provide you with some specific examples faced by a small California irrigation district to illustrate how progress is stalled due to local cost share limitations and non-federal funding requirements under current law. Patterson Irrigation District is the exact opposite of the large "corporate" farms you so often hear referred to in news reports regarding the San Joaquin Valley drought. This 13,000 acre irrigation district is comprised of 5, 10 and 20 acre parcels originally subdivided in the late 1800's as part of the larger Rancho Del Puerto land grant. These are truly small family farms and most landowners hold primary jobs to support their efforts to farm or lease their lands. The district has 100 year old pre-1914 water rights on the San Joaquin River and the district currently pumps these water supplies from an unscreened diversion facility. In 2001, Patterson Irrigation District decided to be a pro-active local agency and began the process of designing and constructing a fish screen at its current diversion to protect Fall Run Chinook Salmon and Steelhead. These steps were also taken to protect the district's water rights to avoid placing them at risk as a result of an unauthorized take under the state or federal endangered species acts. This completed project would also protect the soon to be re-introduced Spring Run Chinook Salmon as a component of the San Joaquin River Restoration Program by avoiding potential harm caused by the largest unscreened diversion on the San Joaquin River. At the time Patterson ID began the fish screen process it was customary for the State of California and the United States Bureau of Reclamation to provide cost share funding for these types of projects with little or no cost to a local agency proactively attempting to protect fisheries and preserve water rights. As we know, the California economy has collapsed and funds for the non-federal cost share contributions for projects like Patterson's fish screen are now impossible to find.

My experience in Patterson highlights specific problems with the large cost share requirements of excellent resource projects. Patterson also has planned pipeline projects which could transport up to 100,000 ac-ft of conserved and transferred water supplies from eastern San Joaquin Valley tributary agencies such as Merced ID and upper San Joaquin River Friant Division Contractors. These pipelines would interconnect PID's Main Canal system to the Delta Mendota Canal (see Figure 1below) and could be used to transport conserved and transferred water supplies from willing parties to the drought stricken San Joaquin Valley. Additionally, these facilities could be used by the Bureau of Reclamation to comply with the water conservation component of the San Joaquin River Restoration program and recapture Friant Division water supplies.

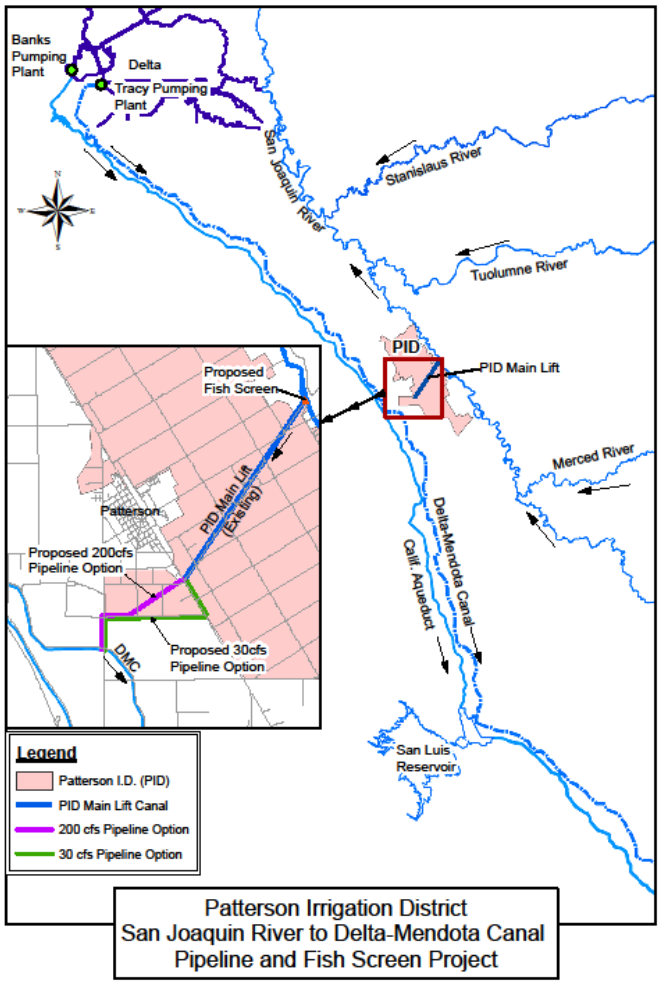

Figure 1. Patterson Irrigation District San Joaquin River to Delta-Mendota Canal Pipeline and Fish Screen Project

The current average cost per acre to a typical 25 acre small family farm landowner in PID is approximately $2,500 per year. In some cases this is a typical bi-weekly pay check from a landowner's primary job. The local cost share of the fish screen and pipeline projects currently are estimated at approximately $35,000,000. This translates into a $2,200 per year increase to per year to the typical PID landowner. The probability of passing an election to secure the approvals for a $35,000,000 bond within Patterson ID is extremely slim. The sheer price alone is compounded by the fact that over the course of the last 10 years the landowner base has migrated from a typical farmer cultivating a few hundred acres to landowners struggling to make ends meet with a paycheck from a primary job. Most PID landowners would rather sink new agricultural wells than approve this type of massive debt. PID is the only major

reliable surface water importer in the area and decreased surface water use and a greater reliance on increased groundwater use is not a sustainable agriculture practice in the area.

The benefits of these projects and the ability to move an additional 100,000 ac-ft per year to the drought stricken San Joaquin Valley are undeniable. The fishery protection benefits are also clearly evident. By allowing changes to the current law and alleviating local cost share requirements you will prevent saddling local governments with huge capital debts and eliminate huge capital debt costs associated with operating and utilizing the facilities. Increased federal financial participation will decrease the cost of utilizing these facilities for transport of conserved and transferred supplies, thereby significantly reducing the cost of the water supplied to the end user. While some naysayers will argue this is a subsidy, I would like to point out that the tax benefits of putting our communities back to work far outweigh the short-term cost to the federal government, and the bulk of the water shortage falls on federal restrictions of water delivery and the lack of robust water infrastructure.

I would like to provide an example of immediate benefits these projects could provide but may not be able to this year due to the ongoing legal wrangling and red tape slowing action. Merced ID is currently in the process of preparing an application to relicense its Merced River Hydroelectric Project (FERC Project No. 2179) on the Merced River. As part of the studies involved in the application process Merced ID will release between 5,000 and 10,000 ac-ft in the spring of 2010 to accommodate flow conditions required to complete these studies. Due to the current limitations on Delta pumping due to the smelt and salmon Biological Opinions, the state and federal pumping plants are unable to pump and convey these supplies being released by Merced ID. If the Patterson ID projects were already constructed and completed, they could be utilized to effectuate the transfer of these water supplies to the drought stricken San Joaquin Valley immediately.

The September 2009 UC Davis report," Measuring the Unemployment Impact of Water Reductions" concludes the loss of 21,000 jobs and $703,000,000 in agricultural revenue in 2008 due to the drought and smelt actions. Applying these figures to 100,000 ac-ft of water transferred and wheeled to the Westside of the San Joaquin Valley illustrates the re-establishment of 1,200 jobs and $40,000,000 in annual agricultural revenue.

I would like to close by acknowledging the Patterson ID projects are specifically mentioned in the Federal Work Plan on par with the California Aqueduct-Delta Mendota Canal Intertie Project as projects which could have immediate water supply benefits. While we remain in the early months of the year, current

restrictions in place are preventing us from capturing water brought by recent rains and the window to begin construction on these projects is beginning to close. I urge the Committee to move quickly to reduce the cost share requirements and implore upon the Administration the need to begin committing funds to commence construction as quickly as possible. Recently the Department of Interior has trumpeted that they have spent over $400,000,000 in the valley to address our ongoing water shortages, yet we aren't seeing any tangible investment in infrastructure and the jobs that would accompany this work.

Thank you for your time, consideration and commitment to issues which can benefit the environment and the economy.